

Message Text

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PAGE 01 MANILA 11252 301030Z

21

ACTION EA-09

INFO OCT-01 EUR-12 ISO-00 CIAE-00 COME-00 DODE-00 DOTE-00

EB-07 FMC-01 INR-07 NSAE-00 SAL-01 CG-00 DLOS-06

OES-06 L-03 AGR-05 LAB-04 SP-02 STR-04 TRSE-00

CIEP-01 FRB-03 OMB-01 /073 W
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R 300806Z JUL 76

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 8168

USMISSION EC BRUSSELS UNN

AMEMBASSY LONDON

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

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AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TOKYO

AMEMBASSY THE HAGUE

AMEMBASSY OSLO

AMEMBASSY STOCKHOLM

USMISSION OECD PARIS UNN

AMEMBASSY MADRID

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E.O. 11652: N/A

TAGS: EAIR, EWWT, RP

SUBJECT: SHIPPING: GOP ISSUES SLIGHT MODIFICATION OF PD 894

REF: MANILA 9335

1. PRESIDENTIAL DECREE NO. 962 WAS ISSUED JULY 14 TO AMEND
PD 894 BY CHANGING THE WORDS "SHIPPING LINES" TO "VESSEL"
OR "VESSELS" AS THE CASE MAY BE. THIS IS THE SOLE OPERA-
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PAGE 02 MANILA 11252 301030Z

TIVE PROVISION OF THE NEW DECREE.

2. PREAMBLE, HOWEVER, REAFFIRMS GOP POLICY IN PD 806 THAT PHILIPPINE FLAG VESSELS SHOULD HAVE "AT LEAST EQUAL SHARES" AS VESSELS OF OTHER COUNTRY IN THE CARRIAGE OF BILATERA CARGO. SECOND CLAUSE OF PREAMBLE STATES THAT PD 894 WAS PROMULGATED UNDER THE GENERAL POLICY OF PD 806 WITH THE OBJECTIVE OF "ENABLING PHILIPPINE FLAG AIR CARRIERS AND VESSELS TO CARRY GOVERNMENT AND GOVERNMENT-FINANCED OR SUPPORTED CARGOES AND PASSENGERS." WORDING OF PREAMBLE SEEKS TO GIVE ILLUSION OF CONTINUITY IN GOP POLICY AND GLOSSES OVER HAPHAZARD MANNER OF LAW-MAKING UNDER DECREE SYSTEM.

3. CONTRARY TO WHAT VICENTE COLOSO OF PHILIPPINE SHIPPERS COUNCIL TOLD COMATT (REFTEL) NEW PD 962 DOES NOT REALLY REMOVE OBVIOUSLY DISCRIMINATORY ASPECTS OF PD 894 OR INCORPORATE FEATURES SIMILAR TO U.S. LAW. PD 962 SIMPLY ADDRESSES ITSELF TO CORRECTING THE PAL-INSPIRED TERMINOLOGY OF PD 894.

4. ON OTHER HAND, GOP POLICY AND OBJECTIVE AS STATED IN PREAMBLE SEEM GENERALLY IN ACCORD WITH U.S. PRACTICES. MUCH WILL NOW DEPEND ON HOW GOP AGENCIES INTERPRET OR IMPLEMENT PD 962 AS MODERATING INFLUENCE ON PD 894.

5. IN THIS CONNECTION, TEXTILE MILL OPERATORS AND REPRESENTATIVES OF U.S. COTTON SHIPPERS HAVE RECENTLY COMPLAINED TO THE PHILIPPINE SHIPPERS COUNCIL REGARDING THE DELAY IN WAIVERS ON NON-AVAILABILITY OF PHILIPPINE VESSELS. COMPLAINTS HAVE BEEN PRESENTED ON SPECIFIC INDIVIDUAL COTTON SHIPMENTS AWAITING A VESSEL, AND IN EACH INSTANCE PSC PROMISED TO WIRE AUTHORIZATION TO THE PHILIPPINE CONSUL IN THE UNITED STATES. (FYI. COTTON IS FINANCED BY THE DEVELOPMENT BANK OF THE PHILIPPINES WHICH HAS A POLICY ANTEDATING PD 894 OF REQUIRING SHIPMENT OF DBP-FINANCED CARGOES ON PHILIPPINE VESSELS.)

6. ON JULY 28 VICENTE COLOSO MET WITH A GROUP OF MILL OPERATORS AND COTTON SHIPPERS REPRESENTATIVES AND AGREED LIMITED OFFICIAL USE

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PAGE 03 MANILA 11252 301030Z

THAT THERE WAS A PROBLEM IN GRANTING WAIVERS ON NON-AVAILABILITY OF PHILIPPINE SHIPPING. HE EXPLAINED THAT THERE WAS A NEW DECREE AND IMPLIED THAT IT WOULD SOLVE THE PROBLEM. FURTHER, HE SAID, IN ORDER TO AVOID DELAYS, THE PHILIPPINE COMMERCIAL ATTACHE HAS NOW BEEN AUTHORIZED TO ACT IN GRANTING WAIVERS WHENEVER THE CONSUL WAS ABSENT. COLOSO ASKED THAT THE PSC BE NOTIFIED IN ADVANCE, SAY TWO OR THREE WEEKS AHEAD OF

TIME, OF PROSPECTIVE SHIPMENTS SO THAT PHILIPPINE SHIPPING COULD BE ARRANGED OR A WAIVER GRANTED EXPEDITIOUSLY.

7. JAPANESE EMBOFF HAS TOLD US THAT HE HAS CALLED ON MR. VILLAVERDE OF THE PSC FOR CLARIFICATION OF THE NEW DECREE. MR. VILLAVERDE ADMITTED THAT PD 962 WAS VERY BRIEF BUT CLAIMED THAT IT WAS MEANT TO CORRECT THE TERMINOLOGY USED, AND THAT THERE WAS NOW UNDER CONSIDERATION ANOTHER DECREE WHICH WOULD ACTUALLY AMEND PD 894. MR. VILLAVERDE ALSO SAID THAT THE DEPARTMENT OF INDUSTRY IS PLANNING TO HOLD A PUBLIC HEARING ON THE MATTER TO WHICH, HE VOLUNTEERED, HE HAS NOT BEEN INVITED.

COMMENT: THIS WOULD SEEM TO INDICATE THAT THE COMPLAINTS OF TEXTILE MILLS AND OTHER INDUSTRIAL END USERS HAVE HAD SOME IMPACT ON THE DEPARTMENT OF INDUSTRY.

8. IN THESE CIRCUMSTANCES, WE SUGGEST THAT WE CONTINUE TACITLY TO ENCOURAGE SHIPPERS AND END USERS TO KEEP THE PRESSURE ON THE PSC AND AT THE SAME TIME CONTINUE TO PERMIT THE JAPANESE TO TAKE THE LEAD IN OFFICIAL DEMARCHES TO THE PSC AND GOP.

9. TEST OF PD 962 BEING REPEATED SEPTEL TO WASHINGTON ONLY.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MARINE TRANSPORTATION, LAW
Control Number: n/a
Copy: SINGLE
Draft Date: 30 JUL 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976MANILA11252
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760294-1077
From: MANILA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t1976075/aaaaadxu.tel
Line Count: 141
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 MANILA 9335
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 01 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <01 APR 2004 by greeneet>; APPROVED <02 APR 2004 by morefirh>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SHIPPING: GOP ISSUES SLIGHT MODIFICATION OF PD 894
TAGS: EAIR, EWWT, RP
To: STATE EC BRUSSELS
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006